IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Alexandria Division

Document Technologies, Inc., Epiq Systems, Inc., and Epiq Ediscovery Solutions, Inc., Plaintiffs, v. LDiscovery, LLC, d/b/a KrolLDiscovery, Defendant.	Case No. ______________

COMPLAINT FOR INJUNCTIVE RELIEF AND DAMAGES

Plaintiffs Document Technologies, Inc. and its wholly-owned subsidiaries Epiq Systems, Inc. ("Epiq") and Epiq eDiscovery Solutions, Inc. ("Epiq eDiscovery") (referred to collectively herein with Document Technologies, Inc. as "DTI" or "Plaintiffs" or "Company") by and through undersigned counsel, hereby file this Complaint seeking injunctive relief and damages against Defendant LDiscovery, LLC d/b/a/ KrolLDiscovery ("LDiscovery" or "Defendant").

PRELIMINARY STATEMENT

This case involves DTI's direct competitor LDiscovery who conspired with four former high-volume sales employees of DTI to misappropriate DTI's confidential, proprietary, and trade secret information, and then utilize such information to interfere with DTI's business relationships. Specifically, LDiscovery enticed Defendants to abandon their contractual obligations to DTI and breach all fiduciary duties and duties of loyalty owed thereto with the promise of nearly $24 million in guaranteed payments in exchange for using the goodwill and customer relationships garnered during their employment with DTI for the benefit of LDiscovery.

For months during their employment with DTI, LDiscovery colluded with DTI's former employees through unlawful meetings and conference calls to plan the unlawful pirating of DTI's confidential and proprietary information. In furtherance of their illegal scheme, DTI's former employees unlawfully accessed DTI's computer systems and computing resources on behalf of LDiscovery to steal information regarding customer preferences and histories, in violation of DTI's policies governing computer and network access. Significantly, Defendant's misconduct will inevitably harm DTI and provide a competitive advantage to LDiscovery, and DTI will continue to be damaged unless Defendant is restrained from using its ill-gotten knowledge and opportunities to gain a competitive advantage over DTI.

PARTIES, JURISDICTION, AND VENUE

1. Plaintiff Document Technologies, Inc. ("DTI") is a corporation that is organized under Georgia law. DTI provides collections, processing and hosting, forensics and expert services, eDiscovery managed services, technology assisted review, project management, and managed document review for distinguished law firms and corporate legal departments. DTI is also registered to do business in the state of New York.

2. Plaintiff Epiq Systems, Inc. ("Epiq") is a corporation that is organized under Missouri law. Epiq is also registered to do business in the state of New York. Epiq is a wholly-owned subsidiary of DTI.

3. Plaintiff Epiq eDiscovery Solutions, Inc. ("Epiq eDiscovery") is a corporation organized under the laws of the state of Delaware. Epiq eDiscovery is also registered to do business in the state of New York. Epiq eDiscovery is a wholly-owned subsidiary of Epiq.

4. Defendant LDiscovery is a Delaware limited liability company that is headquartered in McLean, Virginia. LDiscovery is an eDiscovery provider that provides legal and technology consulting services to law firms and corporations, and is also a direct competitor of DTI. LDiscovery may be served at Corporation Service Company, Bank of America Center, 16th Floor, 1111 East Main Street, Richmond, Virginia 23219-000.

5. This Court has proper jurisdiction over the subject matter of this action under 28 U.S.C. § 1331, as this action arises under the laws of the United States, specifically, 18 U.S.C. § 1030 and 18 U.S.C. § 1833. Furthermore, this Court has supplemental jurisdiction over the state law claims articulated herein, pursuant to 28 U.S.C. § 1367.

6. This Court has personal jurisdiction over Defendant because it is a resident of the state of Virginia.

7. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2) and (3)because a substantial part of the events or omissions giving rise to the claims asserted herein occurred in this district and Defendant is subject to the Court's personal jurisdiction with respect to this action.

FACTS

West, Parker, Hosford, and Kreger's Employment with DTI

8. Steve West ("West"), John Parker ("Parker"), Mark Hosford ("Hosford"), and Seth Kreger ("Kreger") (collectively, the "Former Employees") were all high-volume sales associates of Epiq or Epiq eDiscovery from about from about 2011 through June 2016.

9. As sales associates, the Former Employees were responsible for marketing and selling Epiq's or Epiq eDiscovery's document management solutions and generating new clients and customer relationships, at Epiq's or Epiq eDiscovery's expense, on behalf of Epiq and Epiq eDiscovery.

10. Document Technologies, Inc. acquired Epiq and Epiq eDiscovery in or about June 2016.

11. Until their mass resignation on January 5, 2017 without any prior notice to DTI, the Former Employees continued in their positions as sales associates.

12. Together, West, Parker, Hosford, and Kreger (collectively, the "Former Employees") were responsible for managing some of DTI's most lucrative business relationships with its clients.

13. As a result of their positions with respect to DTI's most significant business accounts, DTI provided the Former Employees with purchasing cards to be used at their discretion in soliciting and maintaining DTI's business and customer relationships.

14. Also, the Former Employees received commissions and incentive compensation based upon their sales performance.

15. Given their status as trusted, high-level salespersons, the Former Employees had knowledge of and access to DTI's confidential, proprietary, and trade secret information for business purposes. This information included DTI's financial information, pricing information, pricing calculation models, bidding strategies, profit margins, customer contacts and preferences, customer purchase histories and service needs, processes, methods, and information regarding developing new products and services which derives significant independent economic value from not being generally known to the public or DTI's competitors.

16. DTI also provided the Former Employees with credentials to access its on-demand customer relationship management software ("CRM") which maintained information regarding customer preferences, interactions, customer purchase histories, and predictive modeling of customers' future purchases based on past behavior.

17. DTI only provided credentials to access its CRM to employees with a legitimate business need.

DTI's Confidentiality Policies

18. In the highly competitive industry in which DTI operates, its confidential, proprietary, and trade secret information is critical to maintaining DTI's competitive position. Accordingly, DTI takes a number of steps to protect the confidentiality of its information. Such steps include: (1) requiring the execution of non-disclosure, non-compete, and non-solicitation restrictive covenants; (2) including policies in the Associate Guide that forbid employees from misappropriating DTI's confidential, proprietary, and trade secret information; (3) requiring sales employees to execute acknowledgements of the policies contained in the Associate Guide and instructing employees to avoid conflicts of interest; (4) conducting on-the-job security training

and utilizing occupational security best practices; (5) implementing electronic security measures, such as use of passwords, security time-outs on computers, and segregation of confidential information; and (6) employing physical security measures, such as placing locks on offices, doors, and file cabinets.

19. West, Parker, and Kreger executed acknowledgements of the Associate Guide, including the policies identified therein.

20. One of the policies contained in the Associate Guide is the "No Personal Use of Epiq Information" Policy. Pursuant to this policy, the Former Employees were strictly prohibited from using any information including sensitive or confidential information of their employer, its vendors, customers, and other third parties received by their employer for personal reasons and were required to abide by the confidentiality and non-disclosure obligations set forth in their respective employment agreements which governed the Former Employees' employment with Epiq and its successors and assigns, including DTI.

21. Further the "Permitted Use of Company Computer Network" provision of the Associate Guide prohibited the Former Employees from accessing DTI's computer network and computing resources for non-business purposes. This provision provides that "[a]buse of the computer network or the Internet may result in disciplinary action, including possible termination of employment, and civil and/or criminal liability."

22. Notably, the Former Employees were provided with Company-owned laptop computers and were required to abide by all DTI policies governing the use of such devices.

23. The Associate Guide also contained a provision prohibiting misappropriation of DTI's trade secrets entitled "Communication of Trade Secrets is Strictly Prohibited." This

provision of the Associate Guide provided that "Associates are strictly prohibited from sending, transmitting, or otherwise distributing proprietary information, data, trade secrets or other confidential information belonging to the Company or any third-party with whom the Company has entered into a confidentiality agreement. Unauthorized dissemination of such material may result in severe disciplinary action, including termination of employment, as well as substantial civil and criminal penalties under applicable law."

24. Finally, the Associate Guide required that all employees return all Company property prior to their last day of work.

DTI's Acceptable Use Policy

25. The Former Employees were also required to abide by the Company's Acceptable Use Policy which set forth the allowable and disallowable use of electronic devices and network resources at the Company. The Former Employees acknowledged their willingness to abide by the Company's Acceptable Use Policy when they accessed DTI's intranet.

26. Paragraphs 4.1.2, 4.1.3 and 4.1.4 of the Acceptable Use Policy provide that all employees are prohibited from using the Company's electronic devices or computer networks for any unlawful purposes and must ensure that proprietary information remains within the control of the Company at all times.

27. Paragraph 4.1.6 of the Acceptable Use Policy provides that all associates, including the Former Employees, are required to report any incident, infraction, or violation of the Acceptable Use Policy, whether willful or accidental. An incident may include but is not limited to: attempts (either failed or successful) to gain unauthorized access to a system or its

data; unwanted disruption or denial of service; unauthorized use of a system for the transmission, processing or storage of data; and exporting or making illegal copies or downloads of software.

28. Paragraph 4.3.7 of the Acceptable Use Policy provides that employees using Information Technology ("IT") assets, including the Internet, email, and the CRM made available to the Former Employees, are doing so for the benefit of the Company and may not sell, disclose, exploit or use corporate IT assets for personal benefit or for the benefit of any individual or organization.

29. Under paragraph 4.3.12 of the Acceptable Use Policy, downloading or installing software, including "wiping" software, onto IT assets is prohibited unless an exception has been granted by the head of the relevant business unit and the IT department has determined that such exception will not interfere with the operation of IT assets.

DTI's Wireless Device Policy

30. The Former Employees were also provided with DTI-issued mobile phones or DTI paid for the services associated with the Former Employees' use of mobile phones purchased individually for use in furtherance of their duties as employees of DTI.

31. By accepting DTI-issued mobile phones or DTI's payment of service for individually purchased mobile phones, the Former Employees agreed to abide by DTI's Wireless Device Policy.

32. DTI's Wireless Device Policy provides that all Company-provided wireless devices (including designated phone numbers for the devices) are considered work-related assets and are the property of the Company. The Wireless Device Policy also provides that wireless

devices are to be used for business communications in support of an associate's duties and responsibilities.

33. Importantly, pursuant to the Wireless Device Policy, all emails, contacts, instant messages, and text messages on such devices were the property of the Company and subject to all applicable policies including the Acceptable Use Policy and the Associate Guide.

West's, Parker's, Hosford's, and Kreger's Employment Agreements

34. In another effort to protect its legitimate business interests and the time and effort expended in providing specialized training and resources to its sales employees, Epiq and Epiq eDiscovery had each of the Former Employees execute employment agreements which applied to Epiq's and Epiq eDiscovery's successors and assigns, including DTI, containing non-disclosure, non-competition, and non-solicitation restrictive covenants.

35. The non-compete covenants in the Former Employees' employment agreements prohibited them from directly or indirectly competing against DTI for a period of one year following their termination.

36. The non-solicitation covenants in the Former Employees' employment agreements prohibited them from directly or indirectly soliciting DTI's customers or employees for one year following their termination.

37. The non-disclosure covenants in the Former Employees' employment agreements prohibited them from disclosing or using any of DTI's "Confidential Information" at any time during or after their employment.

38. As referenced in the Former Employees' employment agreements, "Confidential Information" includes, but is not limited to any proprietary information, technical data, trade

secrets or know-how, information relating to research, product plans, products, services, customer lists, customers, markets, software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration, marketing or finances, or other business information in any form including but not limited to electronic oral, visual or hard copy.

39. The Former Employees agreed that the non-disclosure, non-compete, and non-solicitation covenants were reasonable and necessary to protect DTI's legitimate business interests.

The Former Employees Unlawfully Conspire With LDiscovery

40. Upon information and belief, in or about June 2016 through the date of the Former Employees' resignation from DTI on January 5, 2017, the Former Employees began communicating with Christopher Weiler ("Weiler"), the President of LDiscovery and DTI's direct competitor.

41. As sales employees of DTI, the Former Employees had no legitimate business reason to communicate with the President of DTI's direct competitor.

42. Specifically, West used his DTI-owned telephone number to communicate with Weiler on more than thirty separate occasions between June 2016 and January 2017.

43. LDiscovery President Weiler communicated with West for more than 300 minutes while he was still employed with DTI and had access to its trade secret, confidential, and proprietary information.

44. In or about September 26 and 27, 2016, the Former Employees were all in the immediate vicinity of McLean, Virginia, the location of LDiscovery's headquarters.

45. Further, upon information and belief, at least one of the Former Employees used his DTI-issued computer and DTI's computing resources to receive and review a proposed term sheet (the "Proposed Final Term Sheet") dated December 1, 2016 between the Former Employees and LDiscovery.

46. This Proposed Final Term Sheet indicates that the Former Employees and LDiscovery conspired during the Former Employees' employment with DTI to misappropriate DTI's trade secret, confidential and proprietary information and interfere with DTI's business relationships in violation of various restrictive covenants.

The Written Agreement Evidencing The Nearly $24 Million Conspiracy Between LDiscovery and the Former Employees

47. Pursuant to the Proposed Final Term Sheet, the Former Employees were to receive signing bonuses if they agreed to work for LDiscovery after the expiration of their one-year non-competition covenants with DTI.

48. Pursuant to the Proposed Final Term Sheet, LDiscovery would pay the Former Employees signing bonuses as follows: West would receive a bonus of $1.3 million; Kreger would receive a signing bonus of $1.4 million; Parker would receive a signing bonus of $1.2 million; and Hosford would receive a signing bonus of $1.2 million.

49. The Proposed Final Term Sheet provides that the Former Employees were to receive the signing bonuses in equal installments on March 30, 2017, June 30, 2017, September 30, 2017 and December 30, 2017.

50. Under the Proposed Final Term Sheet, the Former Employees would also receive the following set salaries from LDiscovery after a "Sit Out" period of one year: Steven West

would receive $846,187.48; Seth Kreger would receive $911,278.80; John Parker would receive $781,096.11; and Mark Hosford would receive $781,096.11.

51. Also, pursuant to the Proposed Final Term Sheet, the Former Employees would be guaranteed an equal share in a minimum $14 million "transaction bonus" payment in the event of a change in control of LDiscovery within the first two years of employment.

52. In total, the Proposed Final Term Sheet provides the Former Employees with nearly $24 million in guaranteed payments during the first two years of employment with LDiscovery.

53. The amount of the signing bonuses and guaranteed payments offered by LDiscovery indicates that LDiscovery solicited and received DTI's trade secret, proprietary, and confidential information regarding its customers, customer preferences, pricing calculations, and other strategies from the Former Employees in violation of the Former Employees' respective employment agreements.

54. Upon information and belief, LDiscovery would only be willing to pay the Former Employees such extraordinary amounts of money if it had received tangible proof of the market share it could capture upon the Former Employees' separation from DTI.

55. Upon information and belief, LDiscovery solicited and the Former Employees delivered DTI's trade secret, confidential, and proprietary information to provide LDiscovery with assumptions regarding available market share, and LDiscovery relied upon these assumptions in offering the Former Employees signing bonuses and guaranteed payments pursuant to the Proposed Final Term Sheet.

56. The Proposed Final Term Sheet further provided that if any of the Former Employees failed to show up for work with LDiscovery after a "Sit Out" period of one year for no legitimate reason, then that individual would be contractually obligated to repay the full signing bonus.

57. Pursuant to the Proposed Final Term Sheet, LDiscovery would also pay one hundred percent of the COBRA premiums incurred by the Former employees upon their resignation from DTI.

58. Also under the Proposed Final Term Sheet, the Former Employees would receive commissions on their sales on behalf of LDiscovery. With regard to commissions and the ability of the Former Employees to produce and receive credit for their sales, LDiscovery agreed that if the Former Employees had relationships at their prior employer or otherwise, then they would be given full credit for all work generated by those clients.

LDiscovery Agrees To Indemnify The Former Employees For Breach Of Their Restrictive Covenants

59. The Proposed Final Term sheet also states that LDiscovery would reimburse the fees and expenses of counsel for the Former Employees at the Curley, Hurtgen & Johnsrud law firm (the "Curley Firm") in connection with advice and counsel provided on transition from DTI, negotiation of agreements, and working through required documents up to an agreed maximum amount of $50,000.

60. Notably, upon information and belief, LDiscovery's President Weiler and the Former Employees attended conference calls with the Curley Firm on several work days between July 2016 and December 2016.

61. The Proposed Final Term Sheet also provides that LDiscovery will indemnify the Former Employees against litigation challenges based on restrictive covenants owed by the Former Employees to DTI.

62. Under the Proposed Final Term Sheet's indemnification provision, LDiscovery agreed to indemnify the Former Employees fully as to both payment and advancement of all attorneys' fees and costs when such fees are incurred and also to indemnify the Former Employees fully with regard to damages of any kind at any time in the future assessed against the Former Employees with regard to any and all challenges raised or pursued by DTI.

63. The Proposed Final Term Sheet demonstrates that LDiscovery intentionally induced the Former Employees to discontinue their employment relationship and other obligations to DTI, despite being aware of such contractual obligations and the litigation that would likely occur, based upon the Former Employees' breach of fiduciary duty and other wrongs.

64. The Proposed Final Term Sheet also demonstrates that LDiscovery was aware of the Former Employees' restrictive covenants at the time it made plans with the Former Employees during their employment with DTI to hire them away.

65. The Proposed Final Term sheet also provides the fact that the Former Employees spoke with each other regarding their transitions to LDiscovery and/or that the Former Employees met with and negotiated with LDiscovery as a group would not in any way affect, reduce or eliminate LDiscovery's indemnification obligation.

66. The Proposed Final Term Sheet demonstrates that Former Employees conspired with LDiscovery to misappropriate DTI's trade secret, confidential, and proprietary information to unfairly compete and make preparations to compete during a purported "Sit Out" period.

The Former Employees' Unlawful Access of DTI's Computers and Networks on Behalf of LDiscovery

67. The Former Employees' misconduct on behalf of LDiscovery extended to unlawful access and use of DTI's computers and computing resources for non-business purposes.

68. Prior to his departure from DTI, West plugged a flash drive into his DTI-issued computer and moved several DTI-owned documents into subfolders within the "My Documents" folder on his desktop.

69. Such documents including customer pricing proposals, scope of work proposals, customer billing rates, and customer work flow information.

70. Upon information and belief, West mass-copied many DTI-owned documents into subfolders for the purpose of centralizing them for easy copying and removal at a later date.

71. Significantly, despite inserting a flash drive into his DTI-issued computer, West never returned a flash drive to DTI upon his resignation from DTI.

72. West's failure to return the flash drive to the Company upon his resignation indicates that his use of this external media was not for Company business, but rather was for the purpose of copying trade secret, confidential, and proprietary information for the benefit of LDiscovery.

73. Parker also unlawfully accessed and used DTI's computers and computing resources.

74. On or about January 8, 2017 – just three days after Parker announced his intention to resign from DTI—Parker used the anti-forensic software "CCleaner" to delete all files from his DTI-issued laptop computer.

75. Parker had no authorization from DTI to delete all files from his DTI-issued laptop computer.

76. Parker's wiping of his laptop computer has forced DTI to recreate, at inordinate expense, valuable trade secret, confidential, and proprietary information and severely limited DTI's ability to provide necessary service to its clients. DTI has expended well in excess of $5,000 to recover from this computer attack.

77. Upon information and belief, Parker deleted such files from his DTI-issued laptop to not only cover up his nefarious deeds, but also to deprive DTI of the benefit of such information so that Parker could use such information to unfairly compete against DTI on behalf of LDiscovery.

78. Hosford plugged a flash drive into his DTI-issued laptop computer prior to his departure from DTI. Significantly, Hosford never returned a flash drive to DTI upon his resignation.

79. Hosford's failure to return the flash drive to the Company upon his resignation indicates that his use of this external media was not for Company business, but rather was for the purpose of copying trade secret, confidential, and proprietary information for use by LDiscovery upon Hosford's separation from DTI.

80. Hosford also deleted all chat, MMS, and text messages from his DTI-issued phone before returning it to the Company on his last day of work.

81. Hosford's deletion of such information from this phone indicates his intent to hide certain communications from the Company for the benefit of LDiscovery.

82. Upon information and belief, Hosford deleted such information from his DTI-issued mobile phone to deprive DTI of the benefit of such information so that LDiscovery could use such information to unfairly compete against DTI.

83. Kreger failed to return his DTI-issued phone upon his resignation, claiming that it had been lost just as he was preparing to return it to the Company.

84. Upon information and belief, Kreger failed to return DTI-issued mobile phone to deprive DTI of the benefit of such information so that LDiscovery could use such information to unfairly compete against DTI. DTI has spent time and resources in excess of $5,000 trying to recapture its trade secrets and proprietary information.

85. On January 5, 2017 all of the Former Employees sent DTI identical emails resigning their employment from DTI effective the following day, January 6, 2017.

86. The identical nature of the Former Employees' resignation emails, without notice, evinces their conspiracy with LDiscovery to unfairly compete against DTI.

87. On March 24, 2017, DTI sent each of the Former Employees and LDiscovery a cease and desist letter requiring them to discontinue any unlawful use of DTI's trade secret, confidential, and proprietary information.

88. On March 28, 2017, DTI received nearly identical response letters from the Former Employees and LDiscovery stating that they did not have possession of DTI's trade secret, confidential, or proprietary information.

89. Notwithstanding their responses, given their former positions with DTI and current relationship with LDiscovery, the Former Employees' inevitable use and disclosure of their knowledge of DTI's confidential, proprietary, and trade secret information for the benefit of LDiscovery has allowed and/or will allow LDiscovery to unlawfully compete to DTI's detriment.

90. During their employment with DTI, the Former Employees and LDiscovery were preparing to compete with DTI in violation of the Former Employees' restrictive covenants.

91. As a result of the Defendant's unfair competitive activities—many of which occurred while the Former Employees were still employed with DTI—DTI has suffered significant damages.

92. Specifically, DTI will lose business it could have and would have otherwise performed as a result of the Defendant's unlawful interference with DTI's business relationships.

COUNT I

VIOLATION OF THE COMPUTER FRAUD AND ABUSE ACT

93. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

94. Following their resignations, The Former Employees knowingly, and with intent to defraud DTI for the benefit of LDiscovery, accessed DTI's computer systems without authorization or in excess of their authorized use, in order to obtain and transmit DTI's confidential, proprietary, and trade secret information from computers used in interstate commerce.

95. Specifically, upon information and belief, the Former Employees, as agents of LDiscovery, unlawfully accessed DTI's computer systems to copy confidential, trade, secret, and

proprietary information onto external flash drives for the benefit of themselves and LDiscovery in violation of the Associate Guide, the Acceptable Use Policy, the Wireless Device Policy, and their respective employment agreements.

96. Upon information and belief, the Former Employees, as agents of LDiscovery, also unlawfully accessed DTI's computer systems to delete DTI's confidential, trade secret, and proprietary information and deprive DTI the benefit thereof so that the Former Employees could unlawfully retain and use such information to compete against DTI on behalf of LDiscovery in violation of the Associate Guide, the Acceptable Use Policy, the Wireless Device Policy, and their respective employment agreements.

97. LDiscovery knew of the Former Employees' obligations under the Associate Guide and their respective employment agreements at the time they hired The Former Employees.

98. LDiscovery directly, or indirectly, induced and/or directed The Former Employees to unlawfully access DTI's protected computer systems without authorization and/or in excess of authorization in violation of the Associate Guide, their respective employment Agreements, and the fiduciary duties and duty of loyalty that the Former Employees owed DTI.

99. LDiscovery directly, or indirectly, induced and/or directed The Former Employees to unlawfully access DTI's protected computer and email systems without authorization and/or in excess of authorization by hiring The Former Employees with the intention that the Former Employees would disclose or utilize confidential information gained during the improper accessing of DTI's protected computer systems for the benefit of LDiscovery as evidenced by the Proposed Final Term Sheet.

100. Upon information and belief, LDiscovery encouraged, participated in, and/or benefited from the Former Employees' unauthorized access and use of DTI's protected computer and email systems.

101. The information Defendant obtained from the above-alleged acts and conduct included valuable information relating to DTI's business operations, including, but not limited to, confidential, proprietary, and trade secret information regarding DTI's pricing, staffing, business opportunities, and contracts. This critical information is extremely valuable to DTI, and LDiscovery's unlawful possession of such information allows LDiscovery to unfairly compete against DTI.

102. As a direct and proximate result of the above-alleged wrongful conduct, DTI has expended in excess of $5,000 in computer analysis and analytics and will suffer great and irreparable harm.

103. DTI has suffered further damages including the expenses associated with forensic examination of its computer systems, losses from assessing violations of its computer systems by Defendant, expenses associated with conducting a damage assessment, and other consequential damages.

104. As a result, DTI is suffering and will continue to suffer immediate and irreparable harm. DTI lacks an adequate remedy at law and, unless enjoined by this Court, Defendant will continue to cause irreparable injury and damage to DTI as a result of their illegal acts.

105. DTI is likely to succeed on the merits of its claims against Defendant. DTI is without adequate remedy at law for the injuries it continues to sustain resulting from Defendant' acts and conduct.

106. Wherefore, DTI demands that the Court enter judgment against Defendant:

a. Preliminarily and permanently enjoining Defendant as set forth in 18 U.S.C. § 1030(g) from using or disclosing information and/or data obtained from DTI through unauthorized access to and/or exceeding the user's authority to access DTI's computer systems in violation of the Computer Fraud and Abuse Act;

b. Requiring Defendant to immediately return all correspondence, files, customer information, plans, price lists, proposals and other DTI property to DTI, including any information accessed by The Former Employees;

c. Awarding DTI damages as set forth in 18 U.S.C. § 1030(g), including but not limited to, its costs and reasonable attorney's fees incurred in this action;

d. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT II

VIOLATION OF THE DEFEND TRADE SECRETS ACT OF 2016

107. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

108. As a result of their employment and position of trust with DTI, The Former Employees obtained access to DTI's trade secret information, including but not limited to, information related to pricing, pricing calculations and methodology, technical approaches, customer preferences and scopes of work, bidding strategies, bidding proposal methodology, and other unique customer information. These documents and information are unique to DTI and derive their independent economic value from not being commonly known or available to the public or DTI's competitors.

109. DTI takes reasonable steps to protect the secrecy of its trade secret information discussed herein, which includes but is not limited to use of passwords, security time-outs and confidentiality policies and non-disclosure covenants in employment agreements.

110. Significantly, DTI employed such security measures to protect the secrecy of trade secret information that The Former Employees likely copied onto their personal flash drives, retained, and transmitted to LDiscovery prior to and following their resignation.

111. The trade secret information improperly obtained by Defendant is utilized by DTI, or intended for use by DTI, in interstate commerce.

112. Notwithstanding DTI's efforts to maintain the confidentiality of its trade secrets, The Former Employees as agents of LDiscovery, including West and Hosford, obtained confidential, proprietary, and trade secret information from DTI's computer systems and the copied such information onto flash drives while still employed with DTI, all with the intent to retain and use such information after the end of their employment with DTI in violation of the Associate Guide, the Acceptable Use Policy, the Wireless Device Policy, and their respective employment agreements.

113. Upon information and belief, the Former Employees as agents of LDiscovery, including Parker and Kreger, also unlawfully accessed DTI's computer systems to delete DTI's confidential, trade secret, and proprietary information and deprive DTI the benefit thereof so that the Former Employees could unlawfully retain and use such information to compete against DTI on behalf of LDiscovery in violation of the Associate Guide, the Acceptable Use Policy, the Wireless Device Policy, and their respective employment agreements.

114. The Former Employees violated policies in the Associate Guide and their respective employment agreements that prohibited disclosure of confidential, proprietary, and trade secret information, despite their previous acknowledgment of such policies.

115. LDiscovery knew and/or had reason to know that the disclosures and utilization it encouraged, directed, authorized, and/or ratified were illegal and violated the Associate Guide and the Former Employees' respective employment agreements.

116. Prior to and following their resignation from DTI, upon information and belief, The Former Employees have continued to disclose and utilize DTI's trade secret information for the unlawful economic benefit of LDiscovery to the detriment of DTI.

117. Upon information and belief, LDiscovery has disclosed and continues to disclose and utilize DTI's trade secret information for the unlawful benefit of LDiscovery.

118. Defendant's misappropriation of DTI's trade secrets gave and continues to give Defendant an unfair and unjust advantage in the operation of a competing business.

119. The use and disclosure, and even threatened use and disclosure of DTI's trade secrets by LDiscovery entitles DTI to immediate injunctive relief and damages, pursuant to 18 U.S.C. § 1836(b)(3).

120. At all material times, LDiscovery has acted willfully, maliciously, and in bad faith.

121. DTI has suffered and will continue to suffer irreparable harm as a result of Defendant's misappropriation.

122. Wherefore, DTI demands that the Court enter judgment against Defendant:

a. Enjoining LDiscovery, pursuant to 18 U.S.C. § 1836(b)(3)(A), from using or disclosing DTI's trade secret information for the benefit of DTI or otherwise;

b. Requiring LDiscovery to return all customer lists, pricing schedules, bidding proposal methodology, customer purchasing history, proposal templates, and any other proprietary information belonging to DTI in their custody or control;

c. Issuing an ex-parte order providing for the seizure of all DTI's trade secret information and other of LDiscovery's property necessary to prevent the propagation or dissemination of DTI's trade secret information pursuant to 18 U.S.C. § 1836(b)(2)(A).

d. Awarding DTI its costs and attorneys' fees in connection with this action;

e. Awarding DTI such other and further relief including relief pursuant to 18 U.S.C. § 1836(b)(3)(B) as the Court deems just and proper.

COUNT III

TORTIOUS INTERFERENCE WITH CONTRACTUAL RELATIONS

123. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

124. Upon information and belief, LDiscovery, through the Former Employees, has solicited and/or taken affirmative steps to solicit one or more of DTI's existing customers with the intent to cause such customers to cease or materially reduce their contracts and business relationships with DTI, in favor of securing services from the Former Employees and LDiscovery.

125. Upon information and belief, both during and after their employment at DTI, The Former Employees used DTI's confidential and proprietary information to take affirmative steps to solicit DTI's current customers on behalf of LDiscovery.

126. At the time of such unlawful solicitations or affirmative preparations to solicit, the Former Employees were not acting in furtherance of any duties as employees of DTI, but instead were acting on behalf of Defendant LDiscovery.

127. When The Former Employees solicited and/or took affirmative steps to solicit DTI's clients on behalf of LDiscovery, they knew that those clients had existing contractual relationships with DTI.

128. LDiscovery, through the Former employees, misappropriated DTI's confidential and proprietary information to solicit and/or take affirmative steps to solicit DTI's customers using information regarding those customers' preferences, purchase history, scopes of work, and pricing.

129. Without such information, LDiscovery would not have known such customers' needs.

130. Upon information and belief, LDiscovery encouraged, participated in, and/or benefited from the Former Employees' improper solicitations and/or affirmative preparation to solicit DTI's customers and/or employees.

131. Upon information and belief, when LDiscovery and The Former Employees, on behalf of LDiscovery, solicited and/or took affirmative steps to solicit DTI's existing customers, they had knowledge of DTI's expectation of economic benefit from the procurement of additional customers and business and retention of its workforce.

132. But for LDiscovery's intentional and unlawful interference, DTI would have received the economic benefit of its continued relationship with its existing customers.

133. But for LDiscovery's intentional and unlawful interference, DTI would have gained the economic benefit of renewal or additional orders from existing customers seeking DTI's services.

134. Defendant's tortious interference with DTI's business relationship has caused damage to DTI and will continue to do so, absent injunctive and compensatory relief.

135. LDiscovery's and the Former Employees' wrongful conduct was knowing, willful, intentional, malicious, reckless or grossly negligent.

136. DTI has suffered and will continue to suffer immediate and irreparable harm as a result of LDiscovery's and the Former Employees' conduct.

137. DTI has a substantial likelihood of success on the merits of this claim and injunctive relief would serve the public interest.

138. Wherefore, DTI demands that the Court enter judgment against the Defendant:

a. Preliminarily and permanently enjoining Defendant from tortiously interfering with DTI's existing contracts with its customers;

b. Requiring Defendant to provide DTI with a full accounting of the profits obtained from its wrongful conduct;

c. Requiring Defendant to pay compensatory and punitive damages to DTI in an amount to be fixed at trial, together with interest;

d. Awarding DTI its costs and attorneys' fees incurred in connection with this action; and

e. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT IV

TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

139. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

140. Upon information and belief, LDiscovery, through the Former Employees, has solicited and/or taken affirmative steps to solicit one or more of DTI's prospective customers with the intent to cause such customers to cease or materially reduce their business relationships with DTI, in favor of securing services from the Former Employees and LDiscovery.

141. Upon information and belief, both during and after their employment at DTI, The Former Employees used DTI's confidential and proprietary information to take affirmative steps to solicit DTI'prospective customers on behalf of LDiscovery.

142. At the time of such unlawful solicitations or affirmative preparations to solicit, the Former Employees were not acting in furtherance of any duties as employees of DTI, but instead were acting on behalf of Defendant LDiscovery.

143. When The Former Employees solicited and/or took affirmative steps to solicit DTI's prospective clients on behalf of LDiscovery, they knew that those clients had existing or potential business relationships with DTI.

144. LDiscovery, through the Former employees, misappropriated DTI's confidential and proprietary information to solicit and/or take affirmative steps to solicit DTI's prospective customers using information gained during the course of their employment for DTI regarding those customers' needs and pricing or proposals prepared for and offered to such customers by DTI.

145. Without such information, LDiscovery would not have known such prospective customers' needs.

146. Upon information and belief, LDiscovery encouraged, participated in, and/or benefited from the Former Employees' improper solicitations and/or affirmative preparation to solicit DTI's prospective customers.

147. Upon information and belief, when LDiscovery and The Former Employees, on behalf of LDiscovery, solicited and/or took affirmative steps to solicit DTI's potential customers and existing and potential employees, they had knowledge of DTI's expectation of economic benefit from the procurement of additional customers and business.

148. But for LDiscovery's intentional and unlawful interference, DTI would have gained the economic benefit of the acquisition of new customers seeking DTI's services.

149. Defendant's tortious interference with DTI's business relationship has caused damage to DTI and will continue to do so, absent injunctive and compensatory relief.

150. LDiscovery's and the Former Employees' wrongful conduct was knowing, willful, intentional, malicious, reckless or grossly negligent.

151. DTI has suffered and will continue to suffer immediate and irreparable harm as a result of LDiscovery's and the Former Employees' conduct.

152. DTI has a substantial likelihood of success on the merits of this claim and injunctive relief would serve the public interest.

153. Wherefore, DTI demands that the Court enter judgment against the Defendant:

f. Preliminarily and permanently enjoining Defendant from tortiously interfering with DTI's prospective business relationships;

a. Requiring Defendant to provide DTI with a full accounting of the profits obtained from their wrongful conduct;

b. Requiring Defendant to pay compensatory and punitive damages to DTI in an amount to be fixed at trial, together with interest;

c. Awarding DTI its costs and attorneys' fees incurred in connection with this action; and

d. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT V

TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE

154. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

155. LDiscovery solicited the Former Employees with the intent to cause such employees to cease their employment with DTI in favor of employment with LDiscovery.

156. As evidenced by the Proposed Final Term Sheet, when LDiscovery solicited the Former Employees, it knew of the Former Employees' employment relationship with DTI and of the non-competition, non-solicitation, and non-disclosure covenants in the Former Employees' employment agreements.

157. Upon information and belief, when LDiscovery solicited The Former Employees, it had knowledge of DTI's expectation of economic benefit from the retention of its workforce.

158. But for LDiscovery's intentional and unlawful interference, DTI would have received the economic benefit of continued labor from its employees.

159. LDiscovery's tortious interference with DTI's relationships with its employees has caused damage to DTI and will continue to do so, absent injunctive and compensatory relief.

160. LDiscovery's wrongful conduct was knowing, willful, intentional, malicious, reckless or grossly negligent.

161. DTI has suffered and will continue to suffer immediate and irreparable harm as a result of LDiscovery's conduct.

162. DTI has a substantial likelihood of success on the merits of this claim and injunctive relief would serve the public interest.

163. Wherefore, DTI demands that the Court enter judgment against LDiscovery:

a. Preliminarily and permanently enjoining LDiscovery from tortiously interfering with DTI's business relationships and existing contracts with its employees;

b. Requiring LDiscovery to provide DTI with a full accounting of the profits obtained from their wrongful conduct;

c. Requiring LDiscovery to pay compensatory and punitive damages to DTI in an amount to be fixed at trial, together with interest;

d. Awarding DTI its costs and attorneys' fees incurred in connection with this action; and

e. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT VI

MISAPPROPRIATION OF TRADE SECRETS

164. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

165. As a result of their employment and position of trust at DTI, The Former Employees were provided access to DTI's valuable trade secrets, including but not limited to

pricing strategies, bidding strategies and methodology, employee information, and technical information for legitimate business purposes only.

166. Upon information and belief, before leaving DTI, The Former Employees as agents of LDiscovery, including West and Hosford, misappropriated DTI's trade secret information by copying such information onto their personal flash drives for future use in unfair competition against DTI.

167. Upon information and belief, the Former Employees as agents of LDiscovery, including Parker and Kreger, also misappropriated trade secret information by wiping such information from DTI-issued devices prior to their separation so that they might use it for the benefit of LDiscovery to the exclusion of DTI.

168. The Former Employees' misappropriation of DTI's trade secret information violated the numerous policies in DTI's Associate Guide and the non-disclosure provisions of their respective employment agreements that are aimed at preventing the misappropriation of trade secret information.

169. Such policies are just one way that DTI attempts to protect its trade secret information. DTI also attempts to protect its trade secret information by conducting on-the-job security training and utilizing occupational security best practices; implementing various electronic security measures, such as use of passwords, security time-outs on computers, and segregation of confidential information; and employing various physical security measures, such as placing locks on offices, doors, and file cabinets.

170. Upon information and belief, prior to and following their resignation from DTI, The Former Employees have continued to disclose and utilize DTI's trade secret information for the unlawful economic benefit of LDiscovery to the detriment of DTI.

171. LDiscovery knew and/or had reason to know that the disclosures and utilization it encouraged, directed, authorized, and/or ratified, were illegal and violated the Associate Guide, the Acceptable Use Policy, the Wireless Device, Policy, and the Former Employees' respective employment agreements.

172. Defendant's misappropriation of DTI's trade secrets gave and continues to give LDiscovery an unfair and unjust advantage in the operation of a competing business.

173. The information misappropriated by Defendant constitutes trade secrets under applicable law.

174. To date, upon information and belief, Defendant continues to unlawfully use and disclose DTI's trade secret information by using such information to solicit and/or take affirmative steps to solicit DTI's customers and prospective customers.

175. Without such information, Defendant would not have known such customers' service needs, purchase history with DTI, or order preferences.

176. The use and disclosure, and even threatened use and disclosure of DTI's trade secrets by Defendant entitles DTI to immediate injunctive relief.

177. At all material times, Defendant has acted willfully, maliciously, and in bad faith.

178. DTI has suffered and will continue to suffer irreparable harm as a result of Defendant's misappropriation.

179. Wherefore, DTI demands that the Court enter judgment against Defendant:

a. Enjoining Defendant from using or disclosing DTI's trade secret information for the benefit of LDiscovery or otherwise;

b. Requiring Defendant to return all customer information, purchasing history, and any other proprietary information belonging to DTI in their custody or control;

c. Awarding DTI damages;

d. Awarding DTI costs and attorneys' fees; and

e. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT VII

AIDING AND ABETTING BREACH OF FIDUCIARY DUTY

180. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

181. Both the Former Employees and LDiscovery were aware that The Former Employees owed a fiduciary duty to DTI given their employment status with DTI, their respective employment agreements with DTI, the Former Employees' access to DTI's confidential information, and the Former Employees' ability to contract on behalf of DTI.

182. LDiscovery and the Former Employees had knowledge that the Former Employees' use and disclosure of DTI's confidential information during and after their employment with DTI, for the benefit of LDiscovery, constituted a breach of fiduciary duty.

183. LDiscovery and the Former Employees had knowledge that the Former Employees' taking of affirmative steps to unlawfully compete against DTI during and after their employment with DTI, for the benefit of LDiscovery, constituted a breach of fiduciary duty.

184. Specifically, the Proposed Final Term Sheet between the Former Employees and LDiscovery evinces LDiscovery's knowledge of the Former Employees' breach of their

fiduciary duties and LDiscovery's intent to induce a breach of such fiduciary duties by, *inter alia*, offering the Former Employees indemnification from litigation by DTI.

185. Upon information and belief, LDiscovery knowingly induced, participated in, and/or purposefully benefitted from the Former Employees' breaches of their fiduciary duties. Such breaches include, but may not be limited to, the Former Employees' wrongful use of DTI's confidential information to improperly solicit and or make attempts to solicit DTI's clients and/or employees and the Former Employees' affirmatively steps to unlawfully compete against DTI during and after their employment with DTI.

186. DTI has been damaged by, and LDiscovery has sought to benefit from, the induced breaches of fiduciary duty.

187. Based on the foregoing wrongful conduct by LDiscovery, which was knowing, willful, intentional, malicious, reckless and/or grossly negligent, LDiscovery aided and abetted a breach of fiduciary duty and DTI is entitled to disgorgement of any compensation paid to The Former Employees as well as an award of punitive damages.

188. Wherefore, DTI demands that the Court enter judgment against the Defendant:

a. Requiring LDiscovery to pay compensatory and punitive damages to DTI in an amount to be fixed at trial, together with interest;

b. Awarding DTI its costs and attorneys' fees incurred in connection with this action; and

c. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT VIII

AIDING AND ABETTING BREACH OF THE DUTY OF LOYALTY

189. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

190. LDiscovery and the Former Employees were aware that The Former Employees owed a duty of loyalty to DTI given their status as employees of DTI and the terms of the Former Employees' respective employment agreements.

191. LDiscovery and the Former Employees had knowledge that the Former Employees' use and disclosure of DTI's confidential information during and after their employment with DTI, for the benefit of LDiscovery, and the Former Employees' solicitation of business on behalf of LDiscovery during their employment with DTI constituted a breach of the duty of loyalty.

192. LDiscovery and the Former Employees had knowledge that the Former Employees' use and disclosure of DTI's confidential information during and after their employment with DTI, for the benefit of LDiscovery, and solicitation of DTI's customers and employees for the benefit of LDiscovery during their employment with DTI constituted a breach of the duty of loyalty.

193. LDiscovery had knowledge that the Former Employees' plans to compete against DTI both during and after their employment with DTI constituted a breach of the duty of loyalty.

194. Specifically, the Proposed Final Term Sheet between the Former Employees and LDiscovery evinces LDiscovery's knowledge of the Former Employees' breach of their duties of loyalty and LDiscovery's intent to induce a breach of such duties of loyalty by, *inter alia*, offering the Former Employees indemnification from litigation by DTI.

195. Upon information and belief, LDiscovery knowingly induced, participated in, and/or purposefully benefitted from The Former Employees' breaches of their duties of loyalty.

196. DTI has been damaged by, and LDiscovery has sought to benefit from, the induced breaches of the duty of loyalty.

197. Based on the foregoing wrongful conduct by LDiscovery, which was knowing, willful, intentional, malicious, reckless and/or grossly negligent, LDiscovery aided and abetted a breach of the duty of loyalty.

198. Wherefore, DTI demands that the Court enter judgment against the Defendant:

a. Requiring LDiscovery to pay compensatory and punitive damages to DTI in an amount to be fixed at trial, together with interest;

b. Awarding DTI its costs and attorneys' fees incurred in connection with this action; and

c. Awarding DTI such other and further relief as the Court deems just and proper.

COUNT IX

CONSPIRACY – VIOLATION OF VA. CODE ANN. § 18.2-499

199. DTI repeats and realleges paragraphs 1 through 92 above as if fully stated herein.

200. Prior to and following the Former Employees' separation from DTI, LDiscovery made a concerted and coordinated plan with the Former Employees to unlawfully misappropriate DTI's confidential and proprietary information and disrupt its business relationships with clients and employees.

201. Upon information and belief, coordination in furtherance of this plan occurred both in person—for instance, during the Former Employees' trips to the McLean, Virginia area

in September 2016—and remotely—for example, when the Former Employees, and LDiscovery communicated via conference call with the Curley Firm.

202. The Proposed Final Term Sheet is further evidence of LDiscovery conspiring with the Former Employees to unlawfully misappropriate DTI's confidential information and tortiously interfere with DTI's existing and prospective business relationships.

203. In furtherance of this plan, LDiscovery agreed to the Proposed Final Term Sheet and the accompanying indemnification provisions with full knowledge of their unlawful possession of and access to DTI's trade secret, confidential, and proprietary information in violation of the Former Employees' respective employment agreements and other confidentiality policies.

204. Also, in furtherance of this plan, upon information and belief, LDiscovery used and disclosed DTI's trade secret, confidential, and proprietary information to procure business from the prospective and existing clients and customers of DTI through relationships that existed or were developed for the benefit of DTI while the Former Employees were employed with DTI.

205. Defendant's willful and malicious acts and conduct prevented or will prevent prospective contracts between DTI and its prospective customers from occurring, proximately causing damage to DTI, not limited to a loss of revenue.

206. Defendant's willful, malicious, and tortious acts and conduct prevented or will prevent renewal of contracts between DTI and its customers from occurring, proximately causing damage to DTI, not limited to a loss of revenue.

207. DTI has a substantial likelihood of success on the merits of this claim and injunctive relief would serve the public interest.

208. Wherefore, DTI demands that the Court enter judgment against Defendant:

a. Awarding DTI a preliminary and permanent injunction to prohibit Defendant's conduct pursuant to Va. Code Ann. § 18.2-500 for Defendant's violation of Va. Code Ann. § 18.2-499;

b. Awarding DTI lost profits and three-fold damages in an amount to be determined at trial, together with interest;

c. Awarding DTI its costs and attorneys' fees incurred in connection with this action pursuant to Va. Code Ann. § 18.2-500; and

d. Awarding DTI such other and further relief as the Court deems just and proper.

DEMAND FOR JURY TRIAL

DTI hereby demands a trial by jury on all claims so triable.

Dated: April 3, 2017

Respectfully submitted,

/s/

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